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DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
WASHINGTON, DC 20350 -2000

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IN REPLY REFER TO  
OPNAVINST 1755.5A  
OP-156

86 80 534

OPNAV INSTRUCTION 1755.5A

From: Chief of Naval Operations

Subj: DOD STUDENT MEAL PROGRAM

Encl: (1) DoD Directive 1015.5 of 11 Oct 83

1. Purpose. To implement the policy and guidance concerning the Student Lunch Program operated in the Department of Defense Dependent Schools (DoDDS) and to redelegate waiver authority for DoD Student Meal Program to Navy major claimants and Fleet Marine Forces as well as to give responsibility to the Navy Audit Service for biennial audits and inspections of Department of Navy locations where the DoD Student Meal Program is implemented. (A)

2. Cancellation. OPNAVINST 1755.5.

3. Discussion. The DoD Student Meal Program was established in coordination with the Department of Agriculture to provide free and reduced price, nutritional meals to qualified students in DoDDS. Enclosure (1) outlines the policy and provides the guidelines for the implementation of this program.

4. Action. The policies and responsibilities contained in enclosure (1), pertaining to support by the Navy School Food Authority (SFA), shall be implemented. The SFA for the Navy is the Navy Resale System; the SFA for the Marine Corps is the Marine Corps Exchange. The authority conferred on the Secretary of the Navy in paragraph E4f of enclosure (1) is hereby re delegated to the respective Fleet Marine Force and Navy major claimant commanders whose responsibilities include the locations where Student Meal Programs are provided in DoDDS schools. This authority may not be re delegated. Requests for waivers described in paragraph E4f of enclosure (1) will be submitted by the SFA to the major claimant who shall approve or disapprove requests for waiver. Whenever a waiver is authorized, documentation of the nature of the deviation and the reason for the waiver will be retained by the approving authority. Copies of the same will be forwarded through the chain of command to the Assistant Secretary of Defense (Health Affairs). In addition to specified SFA responsibilities, SFA shall also be responsible for compliance with paragraph E4j. The Navy Audit Service will ensure that the appropriate activity conducts the biennial audits and inspections required by paragraph E4k and forward a copy of the audit through the chain of command to the (A)

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U. S. Department of Agriculture. The SFA will determine where the Student Meal Program will be implemented. Commanders of Navy and Marine Corps installations hosting a DoDDS school will:

a. Fund the SFA (a non appropriated fund activity) in advance for travel costs related to determination of where the Student Meal Program will be implemented and for the administrative set up costs.

b. Assume local support and facilities responsibilities required by enclosure (1). This includes compliance with DoD student eligibility guidelines described in paragraph F9.

*William P. Lawrence*

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(Mass)

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NUMBER 1015.5



## Department of Defense Directive <sup>ADD-10000007</sup> ASD(FM+P)

SUBJECT: DoD Student Meal Program

- References:
- (a) Public Law 95-561, Section 1408, "Defense Dependents' Education Act of 1978," November 1, 1978 (42 U.S.C. 1769b, 1773, and 1789)
  - (b) Title 42, United States Code, Section 1751 et seq., "National School Lunch Act," as amended (as implemented by 7 CFR 210 and 250)
  - (c) Title 42, United States Code, Section 1771 et seq., "Child Nutrition Act of 1966," as amended (as implemented by 7 CFR 220)
  - (d) Deputy Assistant Secretary of Defense (Program Management) Memorandum, "Dependent Student Meal Programs," February 20, 1980 (hereby canceled)
  - (e) Deputy Secretary of Defense Memorandum, "Dependent Student Meal Program," July 8, 1980 (hereby canceled)
  - (f) through (o), see enclosure 1

### A. PURPOSE

This Directive implements reference (a), which extends the provisions of references (b) and (c) to students attending DoD dependents schools; provides policy, assigns responsibilities, and prescribes procedures for the DoD Student Meal Program; and cancels references (d) and (e).

### B. APPLICABILITY AND SCOPE

1. This Directive applies to the Office of the Secretary of Defense (OSD) (including activities assigned to the OSD for administrative support), the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies.

2. Its provisions encompass all students attending DoD dependents schools in overseas areas.

3. Its provisions do not apply to DoD dependents schools students authorized to attend approved non-DoD dependents schools in overseas areas under DoD Directive 1342.13 (reference (f)).

### C. DEFINITIONS

The terms used in this Directive are defined in enclosure 2.

Enclosure (1)

#### D. POLICY

It is DoD policy to establish the DoD Student Meal Program in all overseas areas, where practicable. These programs shall conform to the standards prescribed by the Secretary of Agriculture in 7 CFR 210, 220, and 250 (references (b) and (c)), the Memorandum of Agreement between the U.S. Department of Agriculture (USDA) and the Department of Defense (enclosure 3), and this Directive.

#### E. RESPONSIBILITIES

1. The Assistant Secretary of Defense ~~(Comptroller) (ASD(C))~~ <sup>FMTP</sup> shall:
  - a. Provide overall policy guidance for the DoD Student Meal Program.
  - b. Prescribe the method of computing the income of households of students for free and reduced-price meals under the criteria published by the Secretary of Agriculture.
  - c. Assist the Assistant Secretary of Defense (Comptroller) (ASD(C)) in the review of financial plans and budgets of the Military Departments for support of the DoD Student Meal Program.
2. The Assistant Secretary of Defense (Comptroller) shall:
  - a. Provide overall policy guidance for financial management requirements of the DoD Student Meal Program.
  - b. Assist in the development of information systems that support the DoD Student Meal Program to ensure their compliance with DoD Directives 5000.19 and 5000.11 (references (g) and (h)) and the usage of standard data elements and codes from DoD 5000.12-M (reference (i)) when possible.
3. The Assistant Secretary of Defense (Health Affairs) (ASD(HA)) shall provide policy and guidance for development of nutrition standards, in coordination with the USDA, as appropriate.
4. The Secretaries of the Military Departments, or their designees, shall:
  - a. Designate one organization within their respective Departments as School Food Authority (SFA) to operate the DoD Student Meal Program, subject to prior approval by the ASD ~~(Comptroller)~~ <sup>FMTP</sup>.
  - b. Provide or make arrangements for a student meal program at each overseas installation where a DoD dependents school is operated, where practicable, on a nonprofit basis, including provision of free and reduced-price meals for eligible students.
  - c. Ensure that adequate resources, including facilities, minor construction, installed equipment, initial portable equipment, repair and maintenance of facilities and installed equipment, utilities, and custodial service for the dining area, are available to conduct the DoD Student Meal Program.

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d. Ensure that student meal programs are conducted in accordance with applicable portions of 7 CFR 210, 220, and 250 (references (b) and (c)).

e. Ensure that meals offered meet the nutritional standards prescribed by the Secretary of Agriculture. (See paragraph E.4.f., below.)

f. Authorize waivers of USDA-prescribed meal patterns and fluid milk requirements prescribed in 7 CFR 210.10 and 220.8 (references (b) and (c)) on a case-by-case basis when local conditions preclude strict compliance or when such compliance is impracticable (for example, when one of the required meal components, such as milk, is not available). This authority may not be used to circumvent or to reduce the nutritional benefits and objectives of the National School Lunch or Breakfast Program simply because it is difficult or inconvenient to provide the nutritionally balanced meal specified for these programs. Whenever a waiver is authorized, documentation of the nature of the deviation and the reason therefor shall be retained by the approving authority, and a copy of all such waivers and supporting documentation shall be furnished to the ASD(HA). In each case, a food item of equivalent nutritional value shall be substituted. This authority may not be redelegated below the level of a major commander.

g. Notify the SFA of any child's special dietary restrictions. A waiver of basic meal requirements shall be supported by a statement from a medical authority, a copy of which shall be kept on file.

h. Process and adjudicate applications for free and reduced-price meals in accordance with enclosure 4.

i. Ensure that meal payment collection procedures are devised to avoid overt identification of children eligible to receive free and reduced-price meals.

j. Ensure that provisions are made to channel USDA funding and commodities into otherwise qualifying student meal programs that are being conducted by entities other than the designated SFA. Such entities could include qualifying programs operated by an appropriated fund food service activity, service clubs, or other nonappropriated fund instrumentalities.

k. Conduct biennial audits and inspections to ensure the fiscal and nutritional integrity of established programs as required by paragraph 2.k. of enclosure 3 and provide a copy of each report to the USDA.

5. The Director, Defense Logistics Agency, shall ensure that through the Defense Personnel Support Center, worldwide subsistence support is provided for the DoD Student Meal Program, including the transportation of USDA commodities.

6. The Head of each School Food Authority shall ensure that the SFA:

a. Maintains liaison with the USDA on DoD Student Meal Program operational matters.

b. Operates a nonprofit DoD Student Meal Program and observes the limitations on the use of revenue set forth in subsection F.4., below, and on any competitive food services set forth in subsection F.5., below.

c. Provides food service, maintenance and replacement of portable equipment, expendable supplies, custodial service in food storage, preparation and serving areas, accounting and processing of claims for reimbursement from the USDA, and supervisory and administrative functions, including meal price determination.

d. Selects schools that have adequate facilities for participation in the DoD Student Meal Program.

e. Serves meals that meet the minimum requirements prescribed in 7 CFR 210.10 or 220.8 (references (b) and (c)) during meal periods.

f. Prices the USDA-prescribed meal as a unit.

g. Supplies meals without cost or at reduced price to all children who are determined by the Military Departments to be unable to pay the full price.

h. Plans for the preparation of meals on the basis of participation trends, with the objective of providing one lunch or one breakfast, or both, per child per day. Because fluctuations in participation levels make it difficult to estimate precisely the number of meals needed, any excess meals prepared may be served as "seconds" to eligible children and may be claimed for reimbursement. The SFA may not obtain special cash assistance reimbursement for free and reduced-price meals exceeding the number of children approved for free and reduced-price meals (7 CFR 210.11(a) and 220.9(a), references (b) and (c)).

i. Claims reimbursement only for the type or types of meals served.

j. Submits claims for reimbursement in accordance with procedures outlined in enclosure 3. (For purposes of determining eligibility for increased USDA reimbursement as a "60 percent-or-more" school district, each SFA shall be considered as a separate school district within the Department of Defense.)

k. Maintains, in the storage, preparation, and service of food, proper sanitation and health standards in accordance with all applicable DoD regulations.

l. Accepts and uses, in as large quantities as possible, commodities offered as a donation by the USDA.

m. Maintains a financial management system, as appropriate, in accordance with overall policy guidance provided by the ASD(C).

n. Upon request, makes all accounts and records pertaining to its DoD Student Meal Program available to the USDA, the General Accounting Office, and authorized DoD investigative or audit agencies, for audit or review, at a reasonable time and place. Such records shall be retained for a period of 3 years after the end of the fiscal year to which they pertain; however, if any audit findings remain unresolved, the records shall be retained until all issues are resolved.

o. Coordinates serving times with school officials to ensure that adequate time is allocated for feeding all anticipated participants.

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p. Ensures that student meal programs are conducted in a manner that minimizes interference with educational programs.

q. Employs a food service management company, nonprofit agency, or nonprofit organization in the conduct of its DoD Student Meal Program in one or more of its locations, if necessary. An SFA that employs a food service management company shall ensure that the activity complies with this Directive and all applicable USDA regulations.

#### F. PROCEDURES

1. There shall be no physical segregation of or other discrimination against any child eligible for a free or reduced-price meal, nor shall there be any overt identification of any child by special tokens or tickets, by announced or published lists of names, or by other means.

2. The DoD Student Meal Program normally will not be extended to kindergarten students.

3. The DoD Student Meal Program shall be conducted on an overall nonprofit basis with appropriated funds, nonappropriated funds, USDA reimbursements, and USDA commodities. Wherever the provision of student meal service is practicable, an adequate facility shall be provided by the Military Department concerned. Military exchanges or other morale, welfare, and recreation (MWR) activities normally shall be used to provide food services in or near the school. Whenever nonappropriated fund facilities are not available, a local appropriated fund food service activity may be used, provided that such use does not interfere with the primary function of the facility.

4. Revenue accruing to the DoD Student Meal Program shall be used only for the Program. Such revenue may not be used to purchase land, to acquire or construct buildings, or to make alteration to existing buildings. (See 7 CFR 210.7(b), reference (b).)

5. The primary objective of the DoD Student Meal Program is to provide nonprofit, nutritionally adequate meal services. The sale of competitive foods may be allowed, provided that the sale of such foods is part of an SFA's nonprofit school food service or that any profit from the sale of such foods accrues to the benefit of the nonprofit school food service. (This provision does not apply to those nonstudent meal activities concurrently conducted in a joint facility, such as an exchange snack bar, an officers' club, a noncommissioned officers' club, or other nonappropriated fund instrumentality.) Foods of minimal nutritional value will not be available to students in student meal facilities during the lunch period(s). The foregoing does not preclude the provision of a la carte service of nutritious foods for students who prefer not to purchase the USDA-prescribed meal.

6. Each SFA shall offer students all five food items of the USDA-prescribed meal. Students shall be permitted to decline up to two items. A student's decision to decline food items or to accept smaller portions will not affect the charge for the meal.



7. When a student meal program is conducted in an appropriated fund food service activity, the meal surcharge will not be assessed to student participants (DoD 1338.10-M, reference (j)).

8. Each new school construction project may provide a suitable student meal facility, such as a multiple-purpose room with kitchen or a cafeteria, either with or without equipment, if feasible and if permitted by authorization and funding resources.

9. To ensure uniformity in determining eligibility for free and reduced-price meals, Military Department components in overseas areas shall use the guidelines prescribed in enclosure 4.

G. EFFECTIVE DATE AND IMPLEMENTATION

\* This Directive is effective immediately. Forward two copies of implementing documents to the Assistant Secretary of Defense (Force Management and Personnel) within 120 days. \*

\*  
\*  
\*



William H. Taft, IV  
Deputy Secretary of Defense

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Enclosures - 4

1. References
2. Definitions
3. Memorandum of Agreement
4. Determination of Eligibility for Free and Reduced-Price Meals

Enclosure (1)

REFERENCES, continued

- (f) DoD Directive 1342.13, "Eligibility Requirements for Education of Minor Dependents in Overseas Areas," July 8, 1982
- (g) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976
- (h) DoD Directive 5000.11, "Data Elements and Data Codes Standardization Program," December 7, 1964
- (i) DoD 5000.12-M, "DoD Manual for Standard Data Elements," December 1982, authorized by DoD Instruction 5000.12, "Data Elements and Data Codes Standardization Procedures," April 27, 1965
- (j) DoD 1338.10-M, "Manual for the Department of Defense Food Service Program," November 1978, authorized by DoD Directive 1338.10, "Department of Defense Food Service Program," June 12, 1979
- (k) DoD Directive 1342.6, "Department of Defense Dependents Schools (DoDDS)," October 17, 1978
- (l) DoD Directive 5400.11, "Department of Defense Privacy Program," June 9, 1982
- (m) Joint Travel Regulations, Volumes 1 and 2
- (n) DoD 1400.25-M, "DoD Civilian Personnel Manual," Chapter 592, "Overseas Allowances and Differentials," November 9, 1981, authorized by DoD Directive 1400.25, "Department of Defense Civilian Personnel Manual System," January 24, 1978
- (o) Title 10, United States Code, Section 1581

## DEFINITIONS

1. Adult. For the purposes of the collection of social security numbers as a condition of eligibility for free or reduced-price meals, any individual 21 years of age or older.
2. Appropriated Fund Food Service Activity. A government mess, general mess, dining hall, dining facility, messhall, galley, field kitchen, flight kitchen, and similar entities. Appropriated fund food service activities are distinguished from those operated under nonappropriated funds and referred to as an exchange snack bar, officers' open mess, club, organized mess, and all similar entities.
3. Breakfast. A meal that meets the nutritional requirements prescribed in 7 CFR 220.8 (reference (c)) and that is served to a child in the morning hours. The meal shall be served at or close to the beginning of the child's day at school.
4. Child. A person under 21 years of age who is attending a DoD dependents school.
5. Commodities. Foods donated, or available for donation, by the USDA.
6. Competitive Food. Any food sold in competition with the National School Lunch or School Breakfast Program. This includes any food that is sold as a separate item even if it is also a part of the lunch or breakfast.
7. Current Annual Income. Income, as defined in enclosure 4, received during the month before application and multiplied by 12. If such income does not reflect accurately the household's annual income, income shall be based on the projected annual household income. If the previous year's income provides an accurate reflection of the household's current annual income, the previous year may be used as a base for the projected annual income.
8. Documentation. At a minimum, the completion of the following information
  - \* on a free and reduced-price application: (a) names of all household members; \*
  - \* (b) social security number of each adult household member or an indication \*
  - \* that a household member does not possess one; (c) household income received by \*
  - \* each household member, identified by source of income (such as earnings, \*
  - \* wages, pensions, support payments and social security) and total household \*
  - \* income; and (d) signature of an adult member of the household. \*
9. DoD Dependents Schools. Schools operated by the Department of Defense in overseas areas, pursuant to DoD Directive 1342.6 (reference (k)).
10. Food Service Management Company. A commercial enterprise or a nonprofit organization contracted with by an SFA to manage any aspect of a student meal program.
11. Foods of Minimal Nutritional Value. In the case of artificially sweetened foods, a food that provides less than 5 percent of the United States Recommended Dietary Allowance (USRDA) for each of eight specified nutrients per serving. In the case of all other foods, a food that provides less than 5 percent of the USRDA

for each of eight specified nutrients per 100 calories and less than 5 percent of the USRDA for each of eight specified nutrients per serving. The eight nutrients to be assessed for this purpose are protein, vitamin A, vitamin C, niacin, riboflavin, thiamin, calcium, and iron. Categories of foods of minimal nutritional value are listed in Appendix B of 7 CFR 210 and 220 (references (b) and (c)).

12. Free Meal. A breakfast or lunch for which neither the child nor any member of his or her household pays or is required to work in the school or for the SFA.

13. Household. A group of related or unrelated individuals who are not residents of an institution or boardinghouse, but who are living as one economic unit.

14. Income Eligibility Guidelines. The household-size income levels prescribed by the Secretary of Agriculture for use by states and the Department of Defense in establishing eligibility for free and reduced-price meals.

15. Lunch. A meal that meets the lunch pattern for specified age groups of children as designated in 7 CFR 210.10 (reference (b)).

16. Milk. Pasteurized fluid types of unflavored or flavored whole milk, lowfat milk, skim milk, or cultured buttermilk that meet normal U.S. standards for such milk. In overseas areas, if a sufficient supply of such types of fluid milk cannot be obtained, "milk" shall include reconstituted or recombined milk. All milk shall contain vitamins A and D at levels specified by the Food and Drug Administration and consistent with normal U.S. standards for such milk.

17. National School Lunch Program. The program under which general cash-for-food assistance and special cash assistance are made available to an SFA pursuant to 7 CFR 210 (reference (b)).

18. Nonprofit School Food Service. All food service operations conducted by an SFA principally for the benefit of school children, all of the revenue (including competitive food sales conducted at the feeding site) from which is used solely for the operation or improvement of such food service.

19. Overseas Area. Any area situated outside the United States (the states, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States (excluding the Trust Territory of the Pacific Islands and Midway Island)).

20. Reduced-Price Meal

a. Reduced-Price Breakfast. A breakfast that meets all of the following criteria: the price shall be less than the full price of the breakfast; the price shall be no greater than the maximum price established by the Secretary of Agriculture for a reduced-price breakfast; and neither the child nor any member of his or her household shall be required to supply an equivalent value in work for the school or the SFA.

b. Reduced-Price Lunch. A lunch that meets all of the following criteria: the price shall be less than the full price of the lunch; the price shall be no greater than the maximum price established by the Secretary of Agriculture for a reduced-price lunch; and neither the child nor any member of his or her household shall be required to supply an equivalent value in work for the school or the SFA.

21. Reimbursement. Financial assistance paid or payable by the USDA to SFAs for meals meeting the requirements of 7 CFR 210.10 and 220.8 (references (b) and (c)) served to eligible children.

22. Revenue. All monies received by the nonprofit school food service including, but not limited to, children's payments, other local revenues, and federal reimbursements.

23. Revenue Accruing to the DoD Student Meal Program. Any funds designated for use in the DoD Student Meal Program, including children's payments for meals.

24. School Breakfast Program. The program authorized by the "Child Nutrition Act of 1966," as amended (reference (c)).

25. School Food Authority. An organization within a Military Department designated by the Secretary concerned to manage and operate the DoD Student Meal Program.

26. Verification. Confirmation of eligibility for free or reduced-price benefits under the DoD Student Meal Program. Verification shall include  
\* confirmation of income eligibility and any other information in the application \*  
\* that is defined as documentation in paragraph 8, above. \*

Enclosure (1)

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# MEMORANDUM OF AGREEMENT

Memorandum of Agreement between the U.S. Department of Agriculture (USDA) and the Department of Defense (DoD) concerning administration of the National School Lunch and School Breakfast Programs, including the donation of agricultural commodities (and products thereof), in the overseas DoD Dependent School System, under Section 22 of the National School Lunch Act, as amended (42 U.S.C. 1769 b), and under Section 20 of the Child Nutrition Act of 1966, as amended (42 U.S.C. 1789). Donation of agricultural commodities (and products thereof) for use in overseas dependents children school lunch and breakfast programs (hereinafter referred to as student meal programs) are generally governed by Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), Section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), Section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1). Section 6 of the National School Lunch Act as amended (42 U.S.C. 1755) and Section 8 of the Child Nutrition Act of 1966 as amended (42 U.S.C. 1777).

## 1. USDA (Food and Nutrition Service) agrees to:

- a. Provide DoD with cash reimbursement and surplus agricultural commodities to support the operation of lunch and breakfast programs operated by DoD, in accordance with this agreement and with Section 22 of the National School Lunch Act and Section 20 of the Child Nutrition Act of 1966, in its dependent schools in its overseas areas. Cash payments shall be provided on a per-meal basis at the national average payment factor level prescribed semi-annually by the Secretary of Agriculture for the 48 conterminous States. Surplus agricultural commodities shall be provided on the same basis as such commodities are provided to participating State agencies in the United States.
- b. Provide DoD with technical assistance, as requested, in the establishment and administration of student meal programs in overseas areas.
- c. Notify DoD from time to time regarding the availability of surplus agricultural commodities (and products thereof) for donation for use in student meal programs.
- d. Inform DoD of the quantity of each commodity which will be donated and of the Agricultural Stabilization and Conservation Service Commodity Office which will be responsible for the shipment.
- e. Make commodities available to DoD without charge at the point of delivery specified in the application. All costs incurred beyond the point of delivery will be borne by DoD.

## 2. DoD agrees to:


- a. Operate student meal programs in its overseas areas comparable to the National School Lunch and Breakfast Programs operated by cooperating State agencies in the United States.

- b. Accept Federal commodities and funds for expenditure for the service of lunches and breakfasts to eligible children attending dependent schools in overseas areas.
- c. Promulgate regulations, or equivalent administrative issuances, governing the student meal service operations within overseas areas.
- d. Provide meals free or at a reduced price to students determined to be in need of such meals. Such determinations shall be made under the criteria established by the Secretary of Agriculture; except, however, that the Secretary of Defense shall prescribe regulations concerning the definition of family income to be used in determining eligibility for free and reduced price meals.
- e. Establish payment collection procedures which protect free and reduced price meal recipients from being overtly identified as needy.
- f. Serve meals to students in participating programs, which meet the nutritional standards prescribed by the Secretary of Agriculture, unless the Secretary of Defense has authorized deviations from the prescribed meal pattern and fluid milk requirements when local conditions preclude strict compliance or when such compliance is impracticable.
- g. Administer the overseas student meal programs on a nonprofit basis, and free from discrimination as to race, color, or national origin of the children.
- h. Request reimbursement on a monthly basis. Such request shall show the number of eligible children served meals, in accordance with this Agreement, by type of meal (breakfast and lunch), and by category of eligibility (free, reduced price, and full price).
- i. Make application to USDA at least 90 days in advance of each calendar quarter for such available commodities as can be utilized in student meal programs during the calendar quarter. Applications will state the quantities of each commodity desired (submitted in terms of minimum carload lot units unless otherwise specifically agreed) delivery schedules and the desired delivery point (f.a.s. vessel at continental United States ports excluding Alaskan ports or f.o.b. carrier at continental United States inland points, excluding Alaskan inland points).
- j. Submit annual reports to USDA showing the number of children participating in each of the overseas student meal programs, by category of free, paid, and reduced price; the quantities of donated commodities used in the programs; and such other information as USDA may request relating to donated commodities.

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- k. Provide technical and administrative assistance, and audit such food service programs on a bi-annual basis in accordance with Federal Management Circular A-102, and to provide a copy of each report to USDA (FNS).
3. DoD may designate one or more DoD Components or Instrumentalities to manage and operate these programs or to contract with another entity for management and operation of nonprofit food service for students attending schools in overseas areas. Subject to approval by USDA, such designated Components or Instrumentalities may request reimbursement and commodities directly from USDA in accordance with provisions 2(h) and (i) of the Agreement. In such cases, USDA will provide reimbursement payments in accordance with provision 1(a) of this Agreement directly to the designated component or instrumentality. Any such designation shall not relieve DoD of any legal responsibility for proper operation of programs designated in this Agreement.
4. Title to donated commodities will pass to DoD upon acceptance at the time and place of delivery. Donated commodities are not to be sold, exchanged, or disposed of in any other manner than being served as food in overseas student meal programs without the prior approval of USDA. Total responsibility for the donated commodities and for their proper use for the purpose for which donated will pass to DoD concurrently with the transfer of title.
5. Both USDA and DoD agree to execute all documents required by the U.S. Department of Treasury in order to facilitate the timely transfer of funds provided for by this agreement.
6. This Memorandum of Agreement supercedes the Memorandum of Agreement between USDA and DoD of July 15, 1978 and is effective as of the 5th day of March 1980. Cash reimbursement and commodity assistance from USDA to DoD shall commence only upon implementation of all conditions of the Agreement by both USDA and DoD.

United States Department of Agriculture

By   
Administrator, Food and Nutrition Service

Date 2/27/80

Department of Defense

By   
Department of Defense  
DASD (Program Management)

Date 3/5/80



DETERMINATION OF ELIGIBILITY FOR FREE AND  
REDUCED-PRICE MEALS

A. PUBLIC ANNOUNCEMENT

1. In June of each year, the Secretary of Agriculture prescribes income guidelines for determining eligibility for free and reduced-price meals during the 12-month period beginning July 1 and ending June 30 of the following year. Following the publication of these guidelines in the "Federal Register," each Military Department shall announce the income eligibility guidelines, by household size, to be used by overseas installation or community commanders in making determinations of eligibility for free and reduced-price meals. In turn, the local installation or community commander shall announce publicly the income eligibility guidelines for free and reduced-price meals on or before the opening of school.

2. To ensure uniformity in determining eligibility for free and reduced-price meals, Military Department components in all overseas areas shall use the income eligibility guidelines prescribed by the Secretary of Agriculture for the "48 States, District of Columbia, and Territories Excluding Guam."

3. On or about the beginning of each school year, a letter or notice shall be distributed to households with children in attendance at DoD dependents schools participating in a student meal program. The letter or notice shall contain the following information: (a) the eligibility criteria for reduced-price benefits with an explanation that households with income less than or equal to the reduced-price criteria are eligible for either free or reduced-price meals; (b) how a household may apply for free or reduced-price meals; \*  
\* (c) an explanation that an application for free or reduced-price benefits can- \*  
\* not be approved unless it contains complete documentation as defined in \*  
enclosure 2; (d) an explanation that the information on the application may be verified at any time during the school year; (e) an explanation that recipients of free and reduced-price benefits must notify the installation or community commander during the school year of any decrease in household size or of increases in income of over \$50 per month or \$600 per year; (f) how a household may apply for benefits at any time during the school year as circumstances change; (g) a statement that children having parents or guardians who become unemployed are eligible for free or reduced-price meals during the period of unemployment, provided that the loss of income puts the household income during the period of unemployment within the eligibility criteria; (h) a statement that in certain cases foster children are eligible for free or reduced-price meals regardless of the income of the household with whom they reside and that households wishing to apply for such benefits for foster children should contact the installation or community commander; (i) the following statement: "In the operation of child feeding programs, no child will be discriminated against because of race, sex, color, national origin, age, or handicap"; and (j) how a household may appeal the decision of the installation or community commander under the hearing procedures set forth in section E., below. The letter or notice shall be accompanied by a copy of the application form required under section B., below.

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B. APPLICATIONS

1. Local installation or community commanders shall furnish forms for use by households in applying for free or reduced-price meals for their children. The application form shall be clear and simple in design, and the information requested thereon shall be limited to that required to demonstrate that the household does, or does not, meet the eligibility criteria for free or reduced-price meals. The information requested in the application shall include the current annual income of the household as defined in section C., below, the names of all household members and the income received by each member identified by source of income (such as earnings, wages, pensions, support payments and social security) and the social security numbers of adult household members or an indication that a household member does not possess one. The application also shall contain substantially the following statements:

a. "Section 9 of the National School Lunch Act, as amended, requires that in order for your child to be eligible for free or reduced-price meals, you must provide the social security numbers of all adult members of your household. Provision of these social security numbers is not mandatory, but failure to provide the numbers will result in a denial of the application for free or reduced-price benefits. The notice must be brought to the attention of all household members whose social security numbers are disclosed. The social security numbers may be used to verify the correctness of information stated on the application. These verification efforts may be carried out through program reviews, audits, and investigations and may include contacting employers to determine income and checking the documentation produced by household members to prove the amount of income received. These efforts may result in a loss or reduction of benefits, administrative claims, or legal action if incorrect information is reported." An installation or community commander shall ensure that the notice complies with DoD Directive 5400.11 (reference (1)).

b. "In certain cases foster children are eligible for free or reduced-price meals regardless of your household income. If you have such children living with you and wish to apply for such meals for them, please contact us."

2. When a completed application furnished by a household indicates that the household meets the eligibility criteria for free or reduced-price meals, the household shall be provided the benefits to which it is entitled.

a. Notice of Denial. When an application furnished by a household is not fully documented or does not meet the eligibility criteria for free or reduced-price benefits, the installation or community commander promptly shall provide written notice to the household. At a minimum, this notice shall include the reason for the denial of benefits, notification of the right to appeal, instructions on how to appeal, and a statement reminding households that they may reapply for free and reduced-price benefits at any time during the school year. The reasons for ineligibility shall be documented properly and kept on file.

b. Appeal of Denied Benefits. A household who wishes to appeal a denied application by the installation or community commander shall follow the hearing procedures in section E., below. However, before initiating the hearing procedures, the head of the household may request a conference to provide the opportunity for the head of the household and the installation or community commander, or designee, to discuss the situation, present information, and obtain an explanation of the data submitted in the application or

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#Amendment 1, Change 1 (12/11/85)

3. Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate that does not exceed the applicable income eligibility guidelines for free meals shall be served a free meal. Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the income eligibility guidelines for free meals but less than or equal to the applicable income eligibility guidelines for reduced-price meals shall be served a reduced-price meal.

4. Applications for free and reduced-price meals submitted by households shall be retained for a period of 3 years after the end of the fiscal year to which they pertain; however, if any audit findings remain unresolved, the records shall be retained until all issues are resolved.

C. INCOME

1. For purposes of determining eligibility for free or reduced-price meals, income is money earned before deductions such as income taxes, employees' social security taxes, insurance premiums, and bonds. It includes the following:

a. Monetary compensation for services, including wages, salary, commissions, or fees (such as basic pay, basic allowance for subsistence, and other allowances).

b. Income from self-employment, net of allowable deductions and expenses.

c. Social security payments.

d. Dividends or interest on savings or bonds, income from estates or trusts.

e. Rental income, net of allowable deductions and expenses.

f. Public assistance or welfare payments.

g. Government civilian employee or military retirement or pensions.

h. Veterans' payments (except for Veterans' Administration educational payments).

i. Private pensions or annuities.

j. Alimony or child support payments.

k. Regular contributions from persons not living in the household.

l. Royalties, net of allowable deductions and expenses.

m. Post differential or station allowance.

n. Military special and incentive pay.

- o. Temporary lodging allowance.
- p. Civilian special and incentive pay or differential.
- q. Value of government-provided housing or allowance. (See subsections C.2. and C.3., below.)
- r. Other cash income not excluded below.

2. When personnel are provided with government housing, an amount equal to the value of such housing shall be added to other income received, as described below.

- a. For military personnel, the value shall be equal to the Continental United States (CONUS) basic allowance for quarters (BAQ) "with dependents" rate for the member's grade.

- b. For nonmilitary personnel, the value shall be equal to the CONUS BAQ "with dependents" rate paid to military personnel. The grade, rank, or class of nonmilitary personnel shall be equated to the grade or rank of military personnel, in accordance with the table at attachment 1 to this enclosure.

3. When personnel are provided with BAQ, housing allowance (HA), or living quarters allowance (LQA), an amount equal to the allowance shall be added to other income received, as described below.

- a. For military personnel, the amount shall be equal to the CONUS BAQ "with dependents" rate for the member's grade.

- b. For nonmilitary personnel, the amount shall be equal to the CONUS BAQ "with dependents" rate paid to military personnel or the actual amount of the allowance received, whichever is less. The grade, rank, or class of nonmilitary personnel shall be equated to the grade or rank of military personnel, in accordance with the table at attachment 1 to this enclosure.

4. Income does not include the following allowances authorized by the Joint Travel Regulations and DoD 1400.25-M (references (m) and (n)):

- a. Cost of living allowance.
- b. Post allowance.
- c. Foreign transfer allowance.
- d. Supplementary post allowance.
- e. Education allowance.
- f. Educational travel allowance.
- g. Representation allowance.

- h. Home service transfer allowance.
- i. Official residence expense allowance.
- j. Travel allowance.

**D. VERIFICATION REQUIREMENTS**

Local installation or community commanders shall verify a minimum of 3 percent or 3,000 (whichever is less) of the approved free and reduced-price applications on file as of October 31 and shall complete such verification by December 15 of each school year. The foregoing verification requirements are \*  
\* minimum requirements and additional verification activity may be conducted up \*  
\* to and including 100% of all approved applications as deemed appropriate by the \*  
\* installation or community commander. Verification activity may begin at the \*  
\* start of the school year but the final required sample shall be based on the \*  
\* number of approved applications on file as of October 31. Households selected \*  
\* to provide verification shall be provided written notice that they have been \*  
\* selected for verification and that they are required, by a date determined by \*  
\* the installation or community commander, to submit the requested verification \*  
\* information to confirm eligibility for free or reduced-price benefits. The \*  
\* verification process focuses on household income. Therefore, if one household \*  
\* submits a separate application for each child, or for each installation or \*  
\* community, every effort shall be made to ensure that the household undergoes \*  
\* verification only once. Further, installation or community commanders should \*  
\* not verify the same applicant household in consecutive years if that household \*  
\* has been the subject of a previous verification which confirmed eligibility. \*

**E. HEARING PROCEDURES**

1. Procedures. Each installation or community commander shall use hearing procedures under which a household can appeal a decision made with respect to an application the household has made for free or reduced-price meals. Furthermore, the installation or community commander may challenge the continued eligibility of any child for a free or reduced-price meal. The hearing procedure may be conducted in accordance with informal procedures established by the Military Departments for similar purposes. However, the hearing procedures used shall conform to the following requirements:

- a. A simple, publicly announced method to make an oral or written request for a hearing.
- b. An opportunity to be assisted or represented by an attorney or other person, provided that such assistance or representation for a household will not be at Government expense.
- c. An opportunity to examine, before and during the hearing, any documents and records presented to support the decision under appeal.

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d. That the hearing shall be held with reasonable promptness and convenience and that adequate notice shall be given as to the time and place of the hearing.

e. An opportunity to present oral or documentary evidence and arguments supporting a position.

f. An opportunity to question or refute any testimony or other evidence and to cross-examine any adverse witnesses.

g. That the hearing shall be conducted and the decision made by a hearing official who did not participate in making the decision under appeal or in any previously held conference.

h. That the decision of the hearing official shall be based on the oral and documentary evidence presented at the hearing and made a part of the hearing record.

i. That the parties concerned and any designated representative shall be notified in writing of the decision of the hearing official.

j. That a written record shall be prepared with respect to each hearing, which shall include the challenge or the decision under appeal, any documentary evidence and a summary of any oral testimony presented at the hearing, the decision of the hearing official, including the reason therefor, and a copy of the notification of the parties concerned of the decision of the hearing official.

k. That the written record of each hearing shall be preserved for a period of 3 years and shall be available for examination by the parties concerned or their representatives at any reasonable time and place during the period.

2. Continuation of Benefits. When a household disagrees with an action that adversely affects its benefits and requests a hearing, benefits shall be as follows while the household awaits the hearing and decision:

a. Households that have been approved for benefits and that are subject to a reduction or termination of benefits later in the same school year shall receive continued benefits if they appeal the adverse action within a 10-day period.

b. Households that are denied benefits upon application will not receive benefits.

Oct 11, 83  
1015.5 (Att 1 to Encl 4)

MILITARY AND CIVILIAN SCHEDULE OF EQUIVALENT GRADES  
FOR COMPUTATION OF BASIC ALLOWANCE FOR QUARTERS (BAQ) EQUIVALENT

The following table provides a basis for military and civilian relationships for computation of CONUS BAQ equivalents only. Nonappropriated fund positions shall be considered equivalent to their counterparts under the General Schedule (GS) and Wage System, and 10 U.S.C. 1581 (reference (o)) positions shall be considered equivalent to GS-16 through GS-18 positions. With respect to the Wage System, when a more precise relationship to military rank of GS grades is necessary, a determination shall be made by the installation or community commander using the grade groupings in the table as a guide. Finally, equivalent grades for other civilian employees not included in the table shall be determined by the installation or community commander using the table as a guide.

IF YOUR GRADE, RANK OR CLASS IS:

MILITARY GRADE	GENERAL SCHEDULE (GS)	WAGE SYSTEM	TEACHERS (20 USC 901-907)	FOREIGN SERVICE OFFICER (FSO) FOREIGN AFFAIRS SPECIALIST (FAS) FOREIGN SERVICE RES OFF (FSR)	FOREIGN SERVICE STAFF (FSS)	AID (FC) (FOREIGN COMP.)	PUBLIC HEALTH SERVICE	RED CROSS	USO	THEN COMPUTE YOUR CONUS BASIC ALLOWANCE QTRS (BAQ) EQUIVALENT AT THE MIL GRADE SHOWN BELOW AT THE "WITH DEPENDENTS" RATE
0-10	—	—	—	Career Ambassador (22 USC 867) Chief of Mission (22 USC 808)	—	—	—	—	—	0-10
0-9	GS-18	—	—	Career Minister	—	FC-14	—	—	—	0-9
0-8	GS-17	—	—	FSO-1	—	13	Surgeon General Deputy Surgeon General	—	—	0-8
0-7	GS-16	—	—	—	—	—	Assistant Surgeon General	31	Executive Directors	0-7
0-6	GS-15	—	—	—	FSS-1	12	Medical Director	28-29	—	0-6
0-5	GS-14 GS-13	WS-14 thru 19 WL-15 and Production Support Equivalents	—	FSO-3 FSO-4	2	10 & 11	Senior Surgeon	25-27	USO Staff Executive: Appropriate Equivalent Rate	0-5
0-4	GS-12	—	CLASS IV and V	FSO-5	3	9	Surgeon	24	—	0-4
0-3	GS-11 GS-10	WS-8 thru 13 WL-6 thru 14 WL-12 thru 15	CLASS II and III CLASS I Steps 5-15	FSO-6	4	8	Senior Asst Surgeon	21-23	—	0-3
0-2	GS-9 GS-8	and Production Spt Equivalents	CLASS I Steps 3&4	FSO-7	5 6	—	Assistant Surgeon	19-20	—	0-2
0-1	GS-7	—	CLASS I Steps 1&2	FSO-8	7	—	Jr. Asst Surgeon	18	—	0-1
E-9	GS-6	WS-1 thru 7 WL-1 thru 5 WG-8 thru 11 WP-11 thru 16	—	—	8	—	—	—	—	E-9
E-8	—	—	—	—	—	—	—	—	—	E-8
E-7	—	—	—	—	—	—	—	15-17	—	E-7
E-6	GS-6	—	—	—	9	—	—	—	—	E-6
E-5	—	—	—	—	—	—	—	—	—	E-5
E-4	GS-4	WG-1 thru 8	—	—	10	—	—	—	—	E-4
E-1 thru 3	GS-1-3	WP-4 thru 10	—	—	—	—	—	—	—	E-1 thru 3